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FIRST COUNTRY COOPERATION FRAMEWORK FOR EGYPT (1997-2001)

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INTRODUCTION

1. The first country cooperation framework (CCF) for Egypt, which covers the period 1997-2001, outlines the UNDP contribution to national initiatives for achieving growth with equity, within the context of the Fourth National Development Plan, 1997-2001. The CCF preparation process was led by the Ministry of Foreign Affairs, in consultation with all partners in development. The national human development report and the draft country strategy note were used as points of reference. Areas of concentration were selected for their potential to have a catalytic impact on national efforts to eradicate poverty, preserve the environment, and ensure good governance. The CCF will also emphasize the participation and empowerment of women and promotes the implementation of international commitments resulting from global conferences.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

2. Egypt's main resource is its people. Its natural resources (land and water) are scarce in relation to its sizeable and growing population. In 1991, the Government embarked on a major Economic Reform and Structural Adjustment Programme, which has led to the liberalization of the economy and a marked improvement in the country's economic performance. Shifting from the transition period to growth with equity and sustainability will be the major challenge of future development.

3. Egypt's long-term development strategy until the year 2017 focuses on raising the standard of living and ensuring the well-being of its population and accelerating growth and balanced development among its governorates. The Fourth National Development Plan, 1997-2001, is considered the first five-year cycle in this 20-year comprehensive strategy.

4. Egypt's achievements in stabilizing its economy have been impressive. The external sector remains a major challenge. The Government is encouraging direct foreign investment, exports, and privatization of the public sector. Concomitantly, other structural reform measures will be reinforced.

5. The Government's commitment to the well-being of its people requires the development of social and anti-poverty strategies with well-defined targets and the availability of performance-monitoring devices. The country is taking a number of precautions to mitigate the initial adverse effect of the Economic Reform and Structural Adjustment Programme on vulnerable groups.

6. The Government is committed to create 540,000 new jobs annually. It therefore encourages labour-intensive activities. Enhancing Egypt's competitiveness in the global economy requires a leap in the area of high technology.

7. Education has been declared as a national priority. Public spending has increased substantially. Despite major progress in literacy, according to the 1996 population census, approximately 43 per cent of the population remains

illiterate, with a strong gender gap. A national literacy campaign has been launched.

8. Significant progress has also been made in the health sector. However, the Government recognizes the serious gaps in the provision of basic health services and has increased the level of its investment in the sector, with greater emphasis on preventive health care than in the past.

9. The reduction of geographic socio-economic disparities and gender gaps are major goals of the National Development Plan. Preparation of the national human development report is viewed as an effective tool for measuring such disparities and advocating for policy changes to reduce them. The Council of Governors has established a Platform for Action and Monitoring as an operational mechanism to carry out the necessary changes.

10. Environmental concerns are very much on the national agenda. Effective environmental management systems have been introduced. The first environmental law was enacted in 1994.

11. The percentage of land, water and other natural resources per capita in Egypt is low. Strict measures are being taken to prevent overexploitation of the limited amount of arable land. In early 1997, Egypt launched a major initiative to develop new habitats. In order to make greater progress in this area, substantial investments in water management and development are required.

12. Structural reform encompasses a redefinition of the role of the State and the emergence of important new participants in the national development process, such as the growing business sector and their multinational partners as well as civil society organizations. Local structures and communities will also have a larger role to play.

II. RESULTS AND LESSONS OF PAST COOPERATION

13. Official development assistance (ODA) is estimated at 7 per cent of Egypt's gross domestic product. During its fifth programming cycle (1992-1996), UNDP began to advocate the concept of sustainable human development (SHD), which continues to have far-reaching implications on Egypt's national policies, marked, for example, by a major shift from sectoral support to thematic support. The Government also initiated new partnerships with civil society organizations and introduced participatory approaches to reach and involve grass-roots groups in the development of SHD strategies. These evolving features of UNDP cooperation require consolidation and enhanced coordination.

14. The mid-term review of the fifth country programme for Egypt, which covered the period 1992-1996, confirmed that the UNDP areas of focus were in line with national priorities. It recommended the consolidation of achievements and called for better overall programme coherence, highlighting the need for the use of indicators to measure programme impact and results. Broadening the concept of national execution by fostering collaboration with non-governmental organizations (NGOs) and the private sector was also recommended. The mid-term review stressed the need to draw on the Transfer of Knowledge through Expatriate

Nationals (TOKTEN) modality and the United Nations Volunteers programme and to mainstream the technical cooperation among developing countries (TCDC) modality in the programmes. It also stressed the need to ensure that equipment procured carried value-added in terms of the transfer of technology. The development of United Nations collaborative initiatives was strongly encouraged.

III. PROPOSED STRATEGY AND THEMATIC AREAS

15. The Government has requested that UNDP continue to relate the SHD concept to the Egyptian context and link it to the country's declared national priorities. Taking into consideration the activities carried out by other ODA partners, the points of entry considered most conducive to achieving growth with equity and sustainability include: (a) poverty eradication and sustainable livelihoods; (b) protection of the environment and the sustainable use of natural resources; and (c) promotion of sound governance. Cross-cutting elements include: capacity-building, human resources development and job creation; the consolidation of economic and structural reforms; the provision of basic services; transfer of technology; and information and dissemination activities.

A. Poverty eradication and sustainable livelihoods

16. Promotion of and advocacy for the development of a national strategy to eradicate poverty. UNDP will help to formulate a human development strategy with the primary goal of eradicating poverty through the improvement of decision-making support tools and strategic studies. Cooperation will be directed at enhancing the capacities of and networking among competent institutions. Support provided for the production of the national human development report since 1994 was the first step in this direction. During the period covered by the first CCF, UNDP and the other members of the Joint Consultative Group on Policy (JCGP) will cooperate to enhance the quality and usefulness of the national report and use it as a catalyst for the implementation of a common country assessment initiative.

17. UNDP will continue to pursue its advocacy of SHD as conceived globally and revisited locally through Egypt's 26 Governors' Round Table and Platform for Action and Monitoring. These mechanisms aim specifically at relating the national strategy to the real needs of people through an interactive approach and the enhancement of local governance.

18. Satisfying basic needs and eliminating socio-economic disparities. This programme will aim at achieving balanced growth in Egypt's governorates, stressing the need to empower local communities. Social institutions and safety nets will be strengthened, such as the Social Fund for Development, and support will be provided for small- and medium-scale enterprises. UNDP efforts in human resources development will focus on improving capacities in basic education.

19. UNDP will also focus on promoting integrated area development, using the SHD concept. Within all of the above-mentioned initiatives, the recommendations

of the Second United Nations Conference on Human Settlements (Habitat II) and other international conferences will be implemented, as applicable.

20. Expected impact. The expected impact in this thematic area includes: (a) a well-designed action-oriented poverty eradication strategy and sharpened monitoring tools; (b) a marked reduction in socio-economic disparities as well as gender gaps; (c) the expansion of habitable and cultivatable land; and (d) improvement in the area of sustainable livelihoods through the strengthening or establishment of effective safety nets, improved education and more job opportunities.

B. Protection of the environment and the sustainable use of natural resources

21. Capacity-building for environmental management, protection and control. UNDP will provide support for national institutions in the following areas: (a) integrating environmental concerns into national strategies and formulating action plans; (b) enhancing awareness of and the capacity to enforce environmental protection controls and laws; and (c) formulating projects for the support of other donors.

22. Sustainable use of natural resources (land and water). The sustainable use of resources is critical for securing sustainable livelihoods for settlers, especially in newly developed land. UNDP will play a catalytic role in supporting integrated area development schemes, which require a collaborative, multisectoral and multidisciplinary approach. The programme will be investment-oriented. Pilot development schemes have been identified and capacity needs assessments have been completed in selected areas.

23. Promoting the use of appropriate technologies. A two-pronged programme will be designed for the purpose of: (a) demonstrating affordable technologies and management systems that have the potential for wide-scale replication; and (b) removing barriers to the application of these technologies and management systems. The promotion of low-cost technologies for the treatment of polluted water was identified as a priority area for UNDP support. Demonstration activities will focus on technologies that provide options on how to treat drainage and sewage water, with a special focus on rural areas. Sustainable energy is another important area for UNDP intervention, such as through promotion of the use of renewable energy sources and low-impact energy technologies. Food security will also be addressed, by promoting the use of advanced technology in agriculture, following up on the recommendations of the recent World Food Summit.

24. Expected impact. The expected impact in this area includes: (a) the creation of awareness and the building of institutional capacity for environmental management, protection and control; (b) the establishment of measures to protect and sustain natural resources; (c) the demonstration of environment-friendly development schemes in selected areas; and (d) the application of appropriate technologies for water, energy and agriculture development and use.

C. Promotion of sound governance

25. Management development. UNDP support in this area will aim at enhancing capacities in: (a) the technical secretariat established to assist the Inter-ministerial Economic Reform Committee; (b) civil service reform; (c) international negotiations; (d) capital market and the privatization process; and (e) local administration.

26. Civil society empowerment. Two main frameworks will provide the general criteria and guidelines to ensure the proper channelling of resources in this crucial aspect of governance: (a) an umbrella-type programme to support civil society organizations in selected areas and to help them establish networks; and (b) a collaborative framework for members of JCGP and other interested partners targeting the advancement of women, following up on the Fourth World Conference on Women and the Convention on the Elimination of All Forms of Discrimination against Women. Along with an emphasis on the empowerment of women, the two programmes will also have a special focus on the social integration of marginalized groups, following up on the commitments made at the World Summit for Social Development.

27. Expected impact. The expected impact in this area includes: (a) improved capacities for management development at the national and subnational levels, in line with SHD concepts; (b) strengthened capabilities for international negotiations; (c) strengthened cooperation between the State, civil society and the private sector; and (d) better integration of women and other marginalized groups into policy-making.

IV. MANAGEMENT ARRANGEMENTS

28. Execution and implementation modalities. The use of the national execution modality will continue. The services of the UNDP-supported Operational Unit for Development Assistance will be sought in the implementation of projects. The UNDP country office will continue to hold sensitization sessions for national counterparts. Cooperation between national execution authorities and United Nations specialized agencies will be reinforced, through better use of the new support-cost modalities.

29. Cooperation with new development partners in programme and project execution and/or implementation will continue to be enhanced, including with NGOs and private organizations, once policy guidelines or criteria are agreed upon. The use of the TOKTEN mechanism will be revitalized and the United Nations Volunteers programme will be tapped. TCDC activities will be mainstreamed as an institutional feature of programmes and projects, commensurate with Egypt's being selected as a TCDC 'pivotal' country. Regional cooperation will be given special consideration. The necessary measures to ensure the sustainability of projects and programmes beyond the period of technical cooperation will be taken into account in all initiatives. Enhancing linkages among all programmes for which UNDP provides support will be a special feature of the CCF.

30. Monitoring, review, evaluation and reporting. The Department for International Cooperation for Development of the Ministry of Foreign Affairs has institutionalized a system for improved monitoring, review and reporting. In collaboration with the UNDP country office, the programme and project management plan is being reinforced. The new plan will develop special monitoring tools to evaluate impact. Joint evaluations among donors will be encouraged. The role of the local Programme Advisory Committee will be strengthened. The expertise of specialized agencies for appraisal will be sought.

31. The CCF will be subject to close monitoring and regular review and assessment by competent parties, both as a whole and in each thematic area, to ensure its progress towards the desired impact and sustainability. An in-depth review of the CCF will be conducted after the second year of implementation.

32. Resource mobilization and aid coordination. The ongoing coordination mechanism established among all major members of the development assistance group in Egypt provides an excellent forum for regular information exchange and opportunities for complementary and/or joint financing. It is expected that the mechanism will be strengthened over the period of the first CCF. The country strategy note, which will be issued in 1997, will provide the first national framework for optimal use of technical cooperation.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR EGYPT (1997-2001)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	950	
TRAC 1.1.1	14 333	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	452	
Subtotal	15 735[a]	
NON-CORE FUNDS		
Government cost-sharing	36 800	
Sustainable development funds	28 700 of which:	Estimates include funds allocated/approved during the fifth programming cycle.
GEF	16 000	
Capacity 21	700	
Montreal Protocol	12 000	
Third-party cost-sharing	3 351	
Funds, trust funds and other	775 of which:	
MDGD	300	
Arab Poverty Fund	475	
Subtotal	69 626	
GRAND TOTAL	85 361[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; MDGD = Management Development and Governance Division; SPPD = support for policy and programme development; STS = support for technical services; and TRAC = target for resource assignment from the core.